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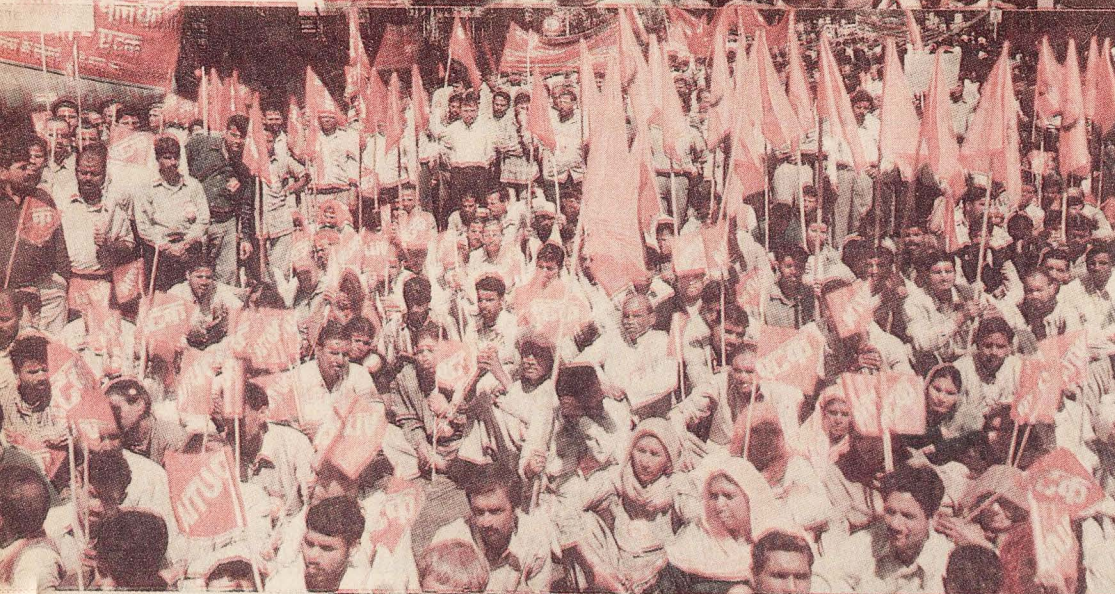
April 2002

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THE WORKING CLASS

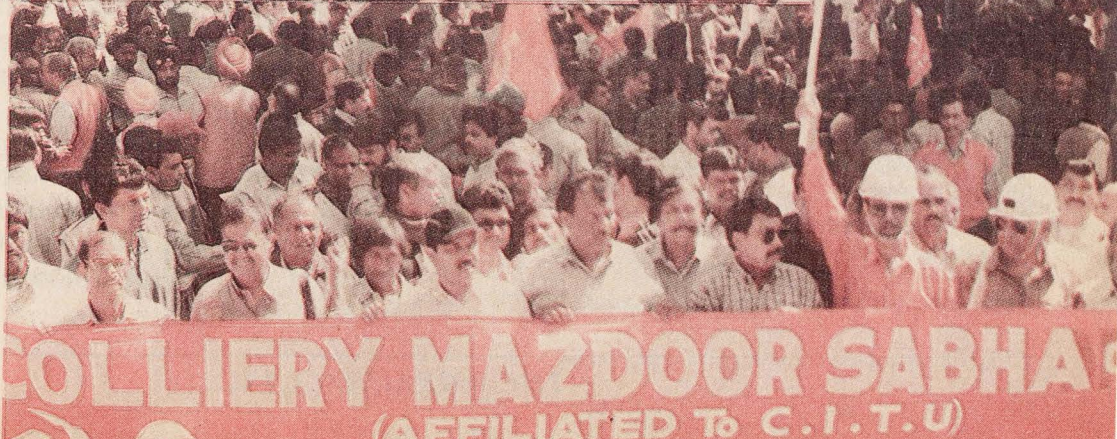
MONTHLY JOURNAL OF THE CITU

On
To
16th
April



PSU &
Financial
Sector
Strike

Down with
anti-
working
class
Govt.
policies !



Against privatisation, attack on Labour rights and loot on workers and people: PUBLIC SECTOR WORKERS CONVENTION DECLARES COUNTRYWIDE STRIKE ON 16TH APRIL

The all India convention of public sector workers held on 5th March 2002 at New Delhi decided countrywide strike action in all the public sector units all over the country on 16th April 2002 against the anti-national and anti-worker policy of the Govt. strike notice will be served jointly by the unions at industry level through demonstration on 2nd April.

620 delegates representing the public sector unions from all over the country from all over the country, from Jammu & Kashmir in the north to Cochin at extreme south gathered in the capital city to participate in the convention. The participants came from all the PSUs viz., coal, steel, fertilizers, shipyard, oil and chemicals, electricity, electronics, heavy engineering, telecommunications and also from banks, insurance and other financial institutions.

The all India convention called by Committee of Public Sector Trade Unions(CPSTU) was presided over by a presidium consisting of J Chittaranjan(AITUC), S Devroye(CITU), A D Nagpal(HMS), Michael Fernandes(JAF, Bangalore) and Y Adinarayana(PSU TU Coord Committee, Hyderabad).

The draft declaration was placed in the convention by M K Pandhe, General Secretary, CITU and seconded by Gurudas Dasgupta, General Secretary, AITUC, R A Mittal, Secretary, HMS, y Adinarayana and Michael Fernandes. The Declaration, while exposing the disastrous anti-national policy of the Central Govt of selling out the profit-making PSUs on a platter and closing down the sick PSUs, mounting attack on labour rights through pro-employer changes in labour laws and increasing tax burden on the workers community stressed on the need for united action by the public sector workers to cry halt to such retrograde policies. It also called upon the public sector workers irrespective of affiliations to go in for countrywide strike in public sector units including the financial institutions on 16th April.

45 delegates from various PSUs took active part in the deliberation upholding the declaration of countrywide united struggle placed in the convention.

The convention also called upon the public sector workers to participate enmasse in the observance of National protest Day on 14th March against the anti-people policy of the Govt of India, called by all the Central Trade Unions in the country. The convention also extended full support to the ongoing struggle by the State Govt Employees in Kerala and demanded upon the Kerala Govt to accept the just demands of the striking employees. It also condemned the brutal repression by the State Police on the striking contract workers of Balco at Korba against retrenchment.

ON OTHER PAGES

1. Rise of Communalism in Gujarat and Ayodhya
M K Pandhe P - 4
2. Sinha's Budget
Loyal to Reforms, Cruel to People P - 6
Forcing Reforms on State Govt.s
W R Varada Rajan P - 8
India is a Print Media P - 10
Phrase Mongering on Women ..
K Hemalata P - 28
3. Whether Contempt of Court
Tapan Sen P - 12
4. Unmasking the Myth of Privatisation
Jayati Ghosh P - 14
5. A Challenging Task before TUs
W R Varada Rajan P - 16
6. Reports & Events from P - 18
7. Index Figures P - 26
8. Balco-Downhill after Privatisation
A Dakshi P - 27

THE WORKING CLASS

CITU MONTHLY

APRIL 2002



...No, No... you've got it wrong!
We obey the court verdict but will
not maintain status quo and carry
out our plan without violating the
PM's order. But...

Courtesy: The Times of India

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EDITORIAL

PRESERVING CLASS UNITY, SURGE AHEAD WITH MILITANT STRUGGLES!

The Union Budget 2002-03, as envisaged in this column last month, has targeted the people for fierce attacks, while heaping fortunes to the privileged few. In this issue, we are carrying several detailed comments on 'Sinha's Budget', which underline the need to rally together all sections of the masses to fight the affront thrown up by the NDA Government.

Though the Finance Minister had spared the workers during his entire budget-speech, this 'mercy' is offset by the separate report on status of implementation on the last year Budget announcements, placed separately, wherein a clear indication had been given of the attacks on the anvil, specifically aimed at the working class.

The horrendous communal orgy that had shocked the country, first in the Godhra killings and next by the genocide inflicted on the minorities in Gujarat, by the barbaric Narendra Modi regime, poses the gravest threat to communal harmony. At a time, when the working class is mandated to intensify its struggles to defeat the offensives of the most disastrous government the country has to suffer ever since independence, the systematic build up of communal war hysteria, has ominous portents for the class unity. The working class has to fight hard to root out the communal venom, which is being emitted by the fundamentalist fanatics of both the majoritarian and minority hues.

At last, Ayodhya has passed the March 15 dateline 'peacefully'. But, peace at what cost? The fraudulent manner in which the Vajpayee sought to hoodwink the allies in the ruling front, the Supreme Court and the country as a whole stands out as the most treacherous drama enacted, perhaps only next to the 1992 demolition of the Babri Masjid. With all sorts of claims being made by the *sangh parivar*, on the Vajpayee government's acquiescence in the *Ram Mandir* construction plan, by accepting, through a top ranking official in the Prime Minister's office, specially flown in from Delhi, the *shila dan* of the carved stones designed for the proposed *Mandir*, the country will have to sit bated breath on the brink of a renewed communal flare up.

The united resolve of the entire trade union movement manifested by the observance of the National Protest Day on 14th March, the strike decision announced by the public sector and financial sector employees slated for 16th April, in solidarity with almost all the central trade unions, will surely harbinger a new era of united struggles in the coming phase.

Let us prepare to meet the challenges ahead, preserving the class unity, defeating the communal divisive designs and surging ahead on the path of struggle!

RISE OF COMMUNALISM IN GUJARAT AND AYODHYA

M K Pandhe

The threat given by VHP and Bajrang Dal to start construction of Ram Temple in Ayodhya from March 15 was a calculated game of RSS outfits to rouse communal passions all over the country. At the outset, the name of Ram was used to win election in UP and when it did not work, the Hindu communal lobby unleashed provocative campaign against Muslims through the assembly of Karsevaks in and around Ayodhya. Thousands of trishuls were manufactured with sharp edge meant to kill the persons under attack. Using most filthy languages against the minority community was considered under BJP rule an expression of national sentiment and pride and no action was taken against anyone for using highly provocative slogans. POTO was used only against persons belonging to minority community or opposition parties.

Vishnu Kant Shastri, Governor of UP, who had been a karsevak during the demolition of Babri Masjid in 1992, was openly encouraging karsevaks in their vile designs. A surcharged atmosphere was created all over the country to generate a fertile ground for the well organised communal riots in Gujarat, whose mastermind was no one other than the Chief Minister Narendra Modi himself.

GODHRA KILLINGS & AFTER MATH

The heinous crime committed at Godhra station in Gujarat on 27th February wherein the mob attacked Ahmedabad bound Sabarmati Express which was carrying "kar sevaks" returning from Ayodhya was universally condemned. The burning of 55 men, women and children in the most gruesome manner shocked people all over India. Narendra Modi Government in Gujarat, instead of taking immediate action against perpetrators of the crime and preventing any retaliatory violence, fully connived at the merciless attacks on the minority community by the Bajrangdal and VHP goons. Over one thousand innocent persons who had nothing to do with Godhra carnage were killed. The police force was purposefully made silent spectator to the burning of entire bustees of muslim community. Police vans were reported

to be supplying kerosene can to the fanatic people attacking such bustees.

The Hindu in its March 13 editorial entitled "Mr. Modi must Go" succinctly pointed out, "The Modi regime's blatantly partisan approach to critical issues of governance such as maintaining public peace and ensuring the safety of the citizenry found its vilest expressions on two occasions. First, when the Chief Minister explained the pogrom in terms of "every-action-has-a-reaction" theory, the cynical suggestion being that the Muslim community must pay for the killing of the Hindus in Godhra incident. In the same view was the police Chief's profound observation, at the height of the revenge killings, that the uniformed personnel cannot remain unaffected by 'sentiments' (read revenge). Second when Mr. Modi assigned different monetary values in human lives lost in the Godhra massacre and those lost in the subsequent communal riots, this amounted to crass discrimination betraying his majoritarian mindset"

POLICE COMPLICITY

Total inactivity and connivance of Gujarat police in communal violence was witnessed in most gruesome killing of the entire family of former congress M.P. Jafri at Ahmedabad.

Media widely covered shocking tales of shameless killings by VHP. But Narendra Modi blamed the media for publishing exaggerated reports. He called for the army only after satisfying himself that sufficient number of Muslims were killed in the state. When the army commenced the flag march in the city, the rioters concentrated their attacks in rural areas and continued their communal carnage. Modi could see ISI hand in Godhra killings even before making any enquiries but failed to see VHP-Bajrang Dal hand in killing of innocent people of minority community.

The role of Union Home minister L.K. Advani was most despicable in the carnage of muslims. He openly supported the role of Modi government in Parliament. His visit to Gujarat was only with the predetermined idea to justify the criminal role of

Modi Government.

Several statements issued by Advani during the entire period have clearly hinted his utter complicity in the entire episode. All this justify the demand for his resignation as the Home Minister of the NDA Government.

The Prime Minister Vajpayee termed Gujarat riots as "black mark" on the nation's face, but his behaviour was extremely dubious. Despite unanimous demands of the opposition parties to remove Narendra Modi he was praising his role. Vajpayee did not utter a single word against the State sponsored riot and terrorism unleashed by Modi in Gujarat.

AYODHYA MUDDLE

Vajpayee's role in approaching Supreme Court with specific proposal to permit puja by the Hindu communal forces underlines his own hand being the machinations of these two RSS outfits.

The Shankaracharya of Kanchi Kamakoti Peetam Jayendra Saraswati was engaged to broker a deal. Though advocating the need to abide by the Supreme Court verdict, he adhered to the plan of construction of temple and related puja proposed by Ramjanmabhoomi Nyas. The VHP senior Vice President, Giriraj Kishore after meeting Acharya publicly stated the three point demands namely, removal of restrictions of the movement of Kar Sevaks from reaching Ayodhya, permission for Puja at the Shilanyas site on March 15 and handing over 42 acres of acquired land to the Nyas by June 3 when the 100 days ongoing "Yagna" ends.

The meeting of George Fernandes with Kanchi Shankaracharya before his mission started cannot be ignored since behind the scene parleys were going on between BJP and Shankaracharya on the issue. Acharya's meeting with Muslim leaders and the Prime Minister were all attempts to show that the Hindu seer was finding out a breakthrough in the dispute but it was essentially an attempt to keep the temple construction plan in tact.

SUPREME COURT INTERVENTION

The Supreme Court Bench comprising B.N. Kirpal, G.B. Battanaik and V.N. Khare categorically turned down the plea of Vajpayee government to permit bhoomi puja at the so called undisputed acquired site and directed that "no religious activity of any kind by any one, either symbolic or actual,

including bhoomi puja or shila daan shall be permitted or allowed to take place on the 67.703 acres of land" in Ayodhya on March 15.

The Supreme Court further ruled, "No part of the land shall be handed over by the Government to anyone and the same shall be retained by the Government till the disposal of this writ petition" In reply to pleading of the Attorney General Soli Sorabjee to allow symbolic puja on March 15, the Supreme Court observed, " we don't want the December 6, 1992 incident to be repeated". Members of parliament have rightly resented at the use of Soli Sorabji as spokesman of VHP.

The award of the Supreme Court was a serious setback to the die-hard communal forces in the country whose vile designs require close watch by the secular forces all over the country.

Ramajanmabhumi Nyas Chief Ramachandra Paramhans' threat to commit suicide if he was not allowed to perform puja at the disputed site was just another attempt to add to the prevalent tension. Vajpayee through backdoor parleys brought about a compromise by which an officer in Ayodhya cell of the PMO Shatrughana Singh received the two stone slabs at Digamber Akhada. Thus the shila-dan was performed and a face-saving was provided to the Mahanta. Thus, appeasement of VHP by the Vajpayee Government was clearly seen in the episode.

BJP's communal agenda in the NDA government was clearly exposed by the developments in Ayodhya and Gujarat. The secular parties in the NDA do not see the danger of the communal agenda of the BJP due to their anxiety to stick to the power. These parties only talk secularism but stick to the NDA combine.

The Gujarat and Ayodhya developments have shown that BJP is out to destroy communal harmony in the country. Unless the secular forces remain more vigilant and assertive, attempts may be made by the BJP to repeat Gujarat riots in other states also.

The secular elements in India must act with firm determination. India's glorious heritage should not be allowed to be tarnished by a communal forces.

SINHA'S BUDGET:

'LOYAL TO REFORMS, CRUEL TO PEOPLE'

Despite all indicators, including the Economic Survey, pointing to the Indian economy reeling under a severe demand recession, Yashwant Sinha, in his budget 2002-03, has addressed only the supply side of the economy, conferring a lot more incentives, benefits and concessions to the corporate houses, Foreign Institutional Investors and the NRIs. He has chosen to be 'loyal to the reforms and cruel to the people'.

The Finance Minister had totally ignored the various suggestions and proposals placed before him by the central trade unions during his pre-budget consultations.

Same callousness had been exhibited by him towards the representations made by the various interest groups representing kisans, agricultural workers, youth, women and

students.

The cruel attacks on the common people manifest in the hiking of excise duties by Rs.6700 cr., while cutting down custom duties on imports by Rs.2200 cr.; hiking LPG price by Rs. 40 per cylinder and PDS kerosene by Rs.1.50 per litre, with total phasing out of the subsidy thereon in the next five years; 5 per cent surcharge on income tax in the name of national security; further reduction of interest rates on small savings and Provident Fund to 9 per cent; hike in postal rates; reduction in fertiliser subsidy and hike in the urea prices; and what not. Earlier the Railway budget had targeted the poorer sections of the commuters for attack, besides seeking to corporatise and privatises railway lines and other functions of the Indian Railways, in tune with the

recommendations of the Rakesh Mohan Committee. On both counts, the NDA govt. has excelled in its anti-people measures.

Under the guise of 'freedom to farmers', the agriculture sector is sought to be deregulated. Instead of addressing the issue of land reforms, the budget seeks to place the urban and rural land of the country in the hands of foreign and domestic corporates. With the Economic Survey recording that "an absolute shortfall in agricultural employment has occurred for the first time", the plight of the rural population is bound to face further ruination. The 'diversification' proposed to tackle the problem of surplus food grain stocks is nothing but a road map to commercialisation of agriculture.

The entire infrastructure sector, including the major ports and airports, are to be privatised, unmindful of the disastrous implications for the national security. After the recent privatisation spree of handing over invaluable public assets at throwaway prices, the budget seeks to continue the process of thoughtless privatisation to mop up Rs.12000 cr. in the coming fiscal year. With a marginal reduction in petrol and diesel prices in the immediate run up to the budget, the dismantling of administered price mechanism will lead to successive increase in the prices of petroleum products.

SINHA'S BUDGET:

Postal tariffs hike up to 100%

Yashwant Sinha has announced a hike in postal tariffs up to 100 per cent on some articles, as under:

Cost of envelopes increased from Rs 4 to Rs 5.

Inland letter cards increased from Rs 2 to Rs 2.50.

Printed postcards increased from Rs 3 to Rs 6.

Competition postcards increased from Rs 5 to Rs 10. for competition cards.

Parcels increased from Rs 16 to Rs 19 for the first 500 gms and from Rs 15 to Rs 16 for every additional 500 gms.

In the case of book posts, tariffs have been set variably under three categories of book pattern and sample packets, book packets containing periodicals and book packets containing printed books. The hike in tariffs is in continuation of last year's budget proposals, which had increased the cost of the most widely used and highly subsidised postcards from 25 paise to 50 paise.

All the plan and non-plan allocations to the States, in the areas of irrigation, power, urban development etc., are linked to 'reforms' implementation. With the pursuit of the Fiscal Responsibilities Bill, the States will be placed under great constraint and forced to cut down subsidies and increase the user charges heftily.

The budget does not grant any relief to the salaried class in the matter of income tax. The move to enlarge the tax net by bringing in the 'perks' and curtailing tax incentives is sought to be continued with just a cosmetic relief for those up to an income of Rs. One lakh. The budget on the other hand doles out tax reduction on foreign companies from 48 to 40 percent. The corporates will be allowed extra depreciation of 15 per cent on new plant and machinery. The NRIs will be free to repatriate interest, incomes etc. up to 50 million dollars. Mutual Funds have been permitted to freely invest in stocks abroad. These indicate a definite intent to pamper to the privileged and rich in India and abroad.

While the unemployment situation in the country has assumed alarming proportions, the budget only seeks to continue the strategy of promoting jobless growth, inflicting grave injury to the future of the youth in both rural and urban India. Downsizing the Govt. departments in pursuance of the ten reports of the Expenditure Reforms Commission, retrenching over a million employees under a

SINHA'S BUDGET:

Dereservation of 50 items: SSIs sore

The Government's decision to dereserve 50 items of the knitwear, certain agricultural implements, auto components, some chemicals, drugs and few other items has met with resistance.

In a statement, the Laghu Udyog Bharati has said that there was no need for removing the reservation with regard to 50 items. "Already those units, which are exporting have different higher and bigger investment limits. The move would hit SSI units in general," the Laghu Udyog Bharati has said. The Government had last year announced the dereservation of 14 items in the footwear, leather goods and toy sectors.

ATTACKS ON SMALL SAVERS AND SALARIED CLASS

With the reduction in small savings interest rates by half a percentage point (50 basis points), the new rates of interest on small savings are as follows:

- Post Office savings: 3.5 %
- PO time deposit (1 year): 7.25 %
- PO time deposit (2 years): 7.5 %
- PO time deposit (3 years): 8.25 %
- PO time deposit (5 years): 8.5 %
- National Savings Scheme, 1992: 8.5 %
- PO monthly income account: 9% (plus 10% on maturity)
- Public Provident Fund: 9.0 %
- Deposit scheme for retiring Govt. employees: 8.0 %

The interest on Employees Provident Fund will also be targeted for attack on the same lines, though the final decision has to await consideration by the Central Board of Trustees.

The Budget has also launched the benchmarking of administered interest rates on small savings schemes. The interest rates will be benchmarked to the average annual yield of Government securities of equivalent maturities in the secondary market. Importantly, it is quite clear that the interest rates on the small savings schemes may decline sharply in the following year too. This is because of the prevailing yield on Government securities. For example, the yield on a six-year Government security is now around 6.6 per cent. Even if a mark-up of around one per cent is offered, rate can come down to 7.5 per cent next year.

forced VRS and restricting future recruitment in Central Govt. services to less than one per cent -are all reprehensible moves

The anti-people budget calls for severest condemnation and protest. The National Platform of Mass Organisations calls upon

all sections of the people and all the mass organisations in the country to jointly resort to mass actions protesting against the Railway and Central budgets. Powerful mass rallies were staged throughout the country on 4th March 2002, at the call of the NPMO.

FORCING REFORMS ON STATE GOVERNMENTS?

W.R.Varada Rajan

Every one is aware that the Government of India had never bothered to build up a consensus on the economic reforms policies either with the social partners or even with the Governments in the States. In fact, some States had questioned the propriety of the Central Government in unilaterally deciding economic matters, particularly the WTO related issues impacting on agriculture - a State subject under the Constitution. But, the successive Prime Ministers and Finance Ministers have been imposing the "reforms package" on the States, making untenable claims of 'political consensus' over "reforms". The NDA regime had taken recourse to the budgetary process to more or less impose a sort of fiscal subordination on the State Governments. Yashwanth Sinha's budget 2002-03 is carrying through this attack on federalism in the fiscal arena to dangerous extents.

AGENDA FOR AGRICULTURE

This budget seeks to launch the country on the 'third revolution of agricultural diversification and food processing'. Sinha sets the agenda as under:

"Even though agriculture is a State subject, there are a number of Central Government policies that influence this sector. The Government has reviewed the operation of the Essential Commodities Act, 1955. Restrictive orders inhibiting

storage, selling and movement of food and agricultural products are being removed. We can now look forward to a countrywide integrated market for agricultural products. He proposed further decontrol and deregulation of agriculture along the following lines:

- * Amendment of the Milk and Milk Products Control Order (MMPO) to remove restrictions on new milk processing capacity;
- * Removal of small-scale industry reservations related to various agricultural equipments;
- * Decanalization of the export of agricultural commodities and phasing out of remaining export controls;
- * Expansion of futures and forward trading to cover all agricultural commodities;

Clearly, all these are intended to move towards dismantling of the PDS mechanism itself. Towards this, Sinha also hands down a 'firman' to the States: "This process of providing freedom to the farmers now needs to be carried forward by State Governments.

Amendment of the Agricultural Produce Marketing Acts to enable farmers to sell directly to potential processors would help them to receive better prices and to access potential new markets. In addition, the remaining State control orders which are acting as barriers to inter-State trade need to be lifted."

To force the State Governments

to implicitly fall in line, he has audaciously proposed: "additional allocations in respect of centrally sponsored schemes would be linked to decontrol and deregulation of the agricultural sector by the States".

For some time now the Central Government had through the NABARD floated Rural Infrastructure Development Funds (RIDF) to extend interest-bearing loans to the States. In this budget, Sinha had announced: "Assistance (?) to the States from RIDF will be linked to reforms in the agriculture and rural sectors". Similar is the case with the Accelerated Irrigation Benefit Programme (AIBP), which will provide the States with funds to accelerate the completion of unfinished medium and major irrigation projects. Here again, Sinha has emphasised that the States should "undertake reforms by revising user charges and setting up of water users associations".

'POWERLESS' BEFORE REFORMS

The State Electricity Boards (SEBs) have long been suffering from a huge backlog of losses, due to various factors. The budget has noted that 'the average rate of return for all SEBs is about minus 40 per cent and their combined losses continue to increase'. The NDA Government had linked the 'power sector reforms' to achieve commercial viability of

State Electricity Boards. In the name of bailing the SEBs out of their financial woes, the Central Government had virtually imposed "a one time settlement scheme in regard to SEB overdues to the Central Public Sector Utilities through securitisation and issue of tax free bonds by the respective State Governments, subject to the achievement of specified performance milestones and full payment of current dues in the future."

In this budget, Sinha has created a redesigned fund named the 'Accelerated Power Development and Reform Programme (APDRP)', but with a condition that "access of the States to the fund will be on the basis of agreed reform programmes, the centre piece of which would be the narrowing and ultimate elimination of the gap between unit cost of supply and revenue realisation within a specified time frame. This places the States under an obligation to hike the power tariff. Accordingly, the focus of reform has shifted from generation to transmission and distribution'. After the ENRON debacle, the Finance Minister is keen on imposing power sector reforms aimed at privatisation of the transmission and distribution functions of the SEBs, as well as fettering the State Governments in the matter of extending free or subsidised supply of electricity for agriculture or for other disadvantaged sections of the community.

WITHOUT JURISDICTION

Sinha has shed copious tears on the 'sad plight of most of our

towns and cities'. He has proposed setting up an Urban Reform Incentive Fund (URIF), to provide reform linked assistance to States. He has announced:

"The Fund will seek to incentivise reforms in the following areas:

- o Reform of Rent Control Laws and repeal of Urban Land Ceiling Acts.
- o Rationalisation of high stamp duty regimes.
- o Revision of byelaws to streamline the approvals process for construction of buildings, development of sites, etc.
- o Revision of municipal laws in line with model legislation prepared by the Ministry of Urban Development and Poverty Alleviation.
- o Simplification of legal and procedural frameworks for conversion of agricultural land for non-agriculture purposes.
- o Levy of realistic user charges and resource mobilization by urban local bodies.
- o Initiation of public private partnership in the provision of civic services".

The policy jurisdictions of the State Governments in the urban development issues, including the urban land ceilings and raising revenue through stamp duty on sale of urban properties, are unceremoniously encroached upon.

Sinha has targeted the cooperative credit structure, which is critical for the agriculture sector, for 'urgent reform'. Reform measures such as the adoption of a Model

Cooperative Act, removal of dual control between State Governments and the RBI, regular conduct of elections, larger stake of the members, professionalisation of management etc. have been devised by the NDA Government. Lofty as these measures might be, Sinha has chosen to push them through a recapitalisation formula for cooperative credit institutions, with a stipulation that "the States will have to consider and accept their funding share and implement the suggested measures for reform".

ARM-TWISTING

As noted by Sinha in his budget, the challenge of fiscal management is equally acute in the case of States. The Fiscal Reforms Incentive Fund set up on the recommendations of the Eleventh Finance Commission, enjoins on the State governments to take 'bold measures to bring down non-productive expenditure to improve their fiscal situation'. This is nothing but a prescription to slash down all welfare expenditure by the States. Sinha has claimed: "We are now providing reform linked assistance to States for a number of sectors.

This is nothing but arm-twisting the State Governments to toe the economic agenda set by the NDA Government, depriving the ruling parties in the States of their political decision making authority. The democratic opinion in the country should address this challenge in all earnestness.

SINHA'S BUDGET: IN THE EYES OF PRINT MEDIA

People Disoriented

The annual Budget is not just an economic instrument. That it is read in Parliament and legislated upon renders it an integral aspect of the political economy of the nation...

On the face of it, and in its up-front implications, it is against the middle and the working classes. The Rs 40 hike in LPG (and Rs 1.50 in kerosene) strike at the symbolic centre of the household, the kitchen. These revisions, when seen in conjunction with measures such as an enhanced surcharge on income tax, reduction of relief from 20 to 10 per cent u/s 88 for people earning more than Rs 1.5 lakh, and total removal of the same for those earning more than Rs 5 lakh, are sure to dishearten the working and service classes. "We help build the economy", they might justifiably say, "and yet our concerns are being increasingly marginalised". As if to rub salt to their wounds, interest rates on small savings have been reduced

by a further 0.5 per cent, after having moved consistently southward over the last year.... Besides, creating a hole in the pocket of the spending classes is surely not going to contribute to consumer confidence, or help the cause of an already depressed market, or even help check the slump in the manufacturing sector.

... for the year 2001-2002, the revised estimates are, in both instances, (health and education) are substantially lower than the budgeted estimates, indicating the under-utilisation of funds. When there is a crying need to provide greater access for our masses to health and education, nothing can justify the non-implementation of projects in these sectors....

There may be light at the end of the tunnel, but the gloom pervading its mouth is far too forbidding to allow a smile, even a wry one.

(Pioneer)

Throwback Sinha

After watching Mr Yashwant Sinha in action on A-B-day, one could not help wondering if the finance minister was thinking of becoming a non-resident Indian. Judge for yourself: Just about the only people who seem to have anything to cheer about in this budget are NRIs.

There will be full convertibility of deposit schemes for NRIs, who will also be free to repatriate in foreign currency their earnings from rent, pension, dividend and interest. Should NRIs be assailed by a longing to return to the mother country, they will be lavishly welcomed back - with customs duty to be paid on items like laptops and digital video discs reduced by 5 per cent, and the overall limit raised from Rs 1.5 lakh to Rs 5 lakh.

This should, of course, help increase buying of consumer goods abroad. There's more good news for foreign countries - Indian corporates will be allowed to contribute funds from their forex earnings to set up chairs in educational institutions abroad and other welfare measures, and Indian

mutual funds will be allowed to invest in rated securities in countries with fully convertible currencies.

Around a bend in memory lane, Mr Sinha propagated 'swadeshi'. All we have to say - to borrow from the advertising industry - is "You've come a long way, baby". Indeed, we would have welcomed that, if only he had shown similar concern for the residents of this country, and not just for those who book the occasional package to India....

Unfortunately,.... Analysing the slowdown, the Economic Survey had noted that industrial growth had hit a 10-year low.

Instead, ... he socked them with the other - a 5 per cent defence surcharge completely out of the blue. The likely result - less take-home across the board, thus less demand in an already depressed market....

Mr Sinha claims he wants to kick-start the economy; he is more likely to effectively kick-stop

it. A cut in the small savings rate was anticipated, the FM obliged - and added insult to injury by slashing the tax rebate available for the financially prudent. The implication is that if your taxable income exceeds Rs 5 lakh per year, don't bother to save - it's not worth it....

Eat, drink and try to be merry - courtesy Mr Sinha, who has reduced the duty on imported liquor, presumably for just this purpose.

At the macro level, the picture is not much brighter. The Budget is forecasting revenue receipts of Rs 245,105 crore in 2002-03, with tax revenue projected at Rs 172,965 crore.

This is, to put it mildly, highly over-optimistic, considering that the revised estimates for 2001-02 of Rs 212,572 crore in revenue receipts and Rs 142,348 crore through tax revenue fell well short of the budget's projections of Rs 231,745

crore and Rs 163,031 crore, respectively....

Two issues that were crying out to be addressed were the utter mismanagement of the food economy and the mess in the power sector. Perhaps chastened by his experience last year, when he made a number of pronouncements that couldn't be implemented, Mr Sinha chose to play it safe.

In both cases, he tossed the ball into the states' court. Decentralised food procurement has not found favour with the states;....

Nothing sums this up better than Mr Sinha's tribute to the Indian entertainment industry, which he saluted by promptly raising the allocation for the information and broadcasting ministry by 22 per cent. If this was an example of stand-up comedy, the joke surely is on us.

(Times of India)

Sinha steps back

When finances stall, try reverse gear! Yashwant Sinha presented his fifth budget in circumstances that could hardly have been less propitious..... The Minister needed to spread some feel good proposals among economic agents to seek a solid basis for growth. He did neither and by that count, this budget is at best disappointing, in reality a failure. This bureaucrat has returned to his original character - when in trouble, tax the already taxed. The question is if this was to be a

hard budget, why should only those who pay their taxes honestly pay more?

If the budget had provided sufficient growth impulses, the tax scandal could have been mitigated....

....He should have chalked out far more radical and targeted programmes for boosting demand. Absence of these casts serious doubts on the growth...

(Statesman)

No thumbs-up for Sinha

A Good Chance to lead the Indian economy out of the wasteland has been lost by the Finance Minister, Mr Yashwant Sinha, leaving economic players with "a significant feeling of disappointment,"....

The fall in Sensex has been attributed to Mr Sinha treating dividend as a taxable income, a needless and de-motivating measure....

Services tax has been extended and excise duties

pushed on the high side when Mr. Sinha could have held his hand for better days. With a new surcharge, Income tax rates have effectively gone up making it hard for the ordinary man to both spend and save as either way he runs up against the taxman. No sector is being able to sight a sure fiscal impulse in the Budget 2002-2003 to perform beyond the present ordinariness.

(Business Line)

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"I stand by what I said. And I am prepared to suffer the consequences. The dignity of the court will be upheld by the quality of the judgments. The quality of the judgment will be assessed by the people of this country". Arundhati Roy

(After being sentenced to imprisonment for raising slogan against SC judgment on Sardar Sarobar Project)

WHITHER CONTEMPT OF COURT!

Tapan Sen

Arundhati Roy, the noted novelist and winner of the Booker prize was sentenced to a day's symbolic imprisonment along with a fine of Rs 2000/- on the charge of 'scandalising' and 'lowering' the 'dignity of the apex court'. After the pronouncement of the sentence, she issued a handwritten statement defending her criticism of the judgment of the apex court and rightly asserted: "the dignity of the court will be upheld by the quality of the judgment. The quality of the judgment will be assessed by the people of the country."

Yes, the peoples' right is sovereign. They are free to express their opinion on issues involving the mass of the people. The CITU is of the firm opinion that criticism on the justness or otherwise of the judgment of any court of law cannot be construed as contempt of the institution of judiciary and a punishable offence. Doing so tantamount to undermining of the entire democratic set-up, within which the judiciary exists.

And the people - and the democratic institutions representing the people - have the right to assess the quality of the judgment and they should feel free to do that without fear.

The judgment of the apex court banning 'bandh' or 'hartal' was vehemently criticised by most of the trade unions, democratic organisations and such criticism had been voiced through demonstrations before the apex court and also a number of bandhs had taken place during the period subsequent to the judgment.

The judgment of the apex court regarding contract workers nullifying its earlier judgment in the Air India case was strongly criticised jointly by almost all the national trade union centers through a press statement on 12TH September 2001 as under :

"The Supreme Court judgment on 30th August, 2001, in the civil appeal filed by the Steel Authority

of India Ltd. (SAIL) and others, overruling the judgment of the same Court in Air India's case is a regressive and retrograde step. It has, by one stroke, nullified whatever the contract workers have gained through their struggle for decades and their battle for justice in different courts of law. ... The Central Trade Unions express serious concern over this judgment that will perpetuate the ruthless exploitation by way of abysmally poor wage, no social security, no job security of millions of contract workers.... We call upon all unions to protest the judgment of the Supreme Court and send telegrams to the Union Minister of Labour demanding enactment of legislation annulling the effect of the judgment."

The trade unions also staged demonstration before the Supreme Court opposing the said judgment.

The Supreme Court judgment, dismissing the petition opposing the distress sale of the premier public sector unit BALCO on a platter, was also vehemently criticised by most of the trade unions in the country and many social organisations as well. The CITU statement dated 11th December 2001 on the subject read :

"CITU notes with concern the judgment of Supreme Court upholding transfer of 51% shares of the erstwhile PSU, the Bharat Aluminium Co. (BALCO) and its overall control to M/s. Sterlite for Rs 551.5 crore and the euphoria sought to be generated by the Govt of India, and its Disinvestments Minister in particular, over the same to justify their anti-national policy of privatisation.

The Supreme Court verdict on that case, while dismissing the public interest litigation against the divestment of BALCO to Sterlite, held that 'Govt's Economic policy was not generally amenable to judicial review unless there was 'extreme illegality', and also 'Parliament is the right forum to question

such policy decisions and not a court of law...'

These observations of Supreme Court does in no way absolve the Govt. and its minister for PSU-sellout from the grave offence of putting BALCO or in that matter, other profit making PSUs, for distress-sale to Indian and foreign corporates through under-valuation of assets and thereby fixing a much lower reserve price for the PSU under sale. It is unfortunate that the Apex Court did not consider such under-priced transfer of national assets to private hands as 'extreme' illegality."

Noted social activist, Vandana Shiva did not mince words in her assessment of the quality of the same BALCO related judgment of the Supreme Court. In a press release just after the pronouncement of the judgment, she maintained:

"The Supreme Court decision on BALCO has far-reaching implications for every sector that affects people's fundamental rights and basic needs.

"The court has firstly upheld the BALCO privatisation, which in effect subverts Schedule V, which was the ground for challenge to privatisation of BALCO by the Chattisgarh Government. Schedule V makes the tribal rights to land inalienable, except for public good and public purpose. Since privatisation is narrowing down the benefit to private gain, the privatisation of BALCO has the effect of undermining public right to the tribal land. Hence, the court ruling is against the Constitution and should, therefore, be considered constitutionally illegitimate.

"The court has also undermined other fundamental rights of the citizens of India by stretching the implications of the judgment and ruling that no court in India should intervene in matters of justice related to economic policies based on privatisation and liberalisation. This, in fact, implies that privatisation of water, privatisation of forests, cannot be challenged. Nor can policies undermining workers' rights, health rights, food rights and education rights be challenged.

"The Parliament, therefore, has been bypassed in economic policy and decision making on privatisation and liberalisation. The Court judgement says: '...For testing the correctness of a policy, the appropriate forum is Parliament and not the Courts'. In the absence of Parliamentary powers in economic policy making

and ratification, this judgement in effect robs Indian citizens of seeking redressal before a judicial forum in respect of their fundamental rights guaranteed by the Constitution.

"The primary duty of the Supreme Court is to uphold the dignity of the Constitution and the people's rights enshrined in it, each time these rights are abused and violated by the executive or private interests. The Supreme Court ruling in the BALCO case has given absolute power to the executive arm of the Government and to the global interests that today rule the Indian Government. The ruling, in effect has killed the Constitution."

The expression of a just criticism against the apex court judgment on the Sardar Sarovar Project has attracted punishment for Arundhati Roy. But, the sangh parivar constituents like VHP, Bajrang Dal etc., had indulged in arrogant comments challenging the very authority of the apex court itself on the mosque-temple controversy at Ayodhya during the recent period. They had also reiterated their resolve to go ahead with shilapuja or shila-dan at Ayodhya even after the clear order of the Supreme Court for status quo. All these were carried on with impunity. The harshness of the verdict handed to Arundhati Roy in the first instance and the studied silence maintained by the wise men of the judiciary in the case of the latter is a revealing contrast. It is understandably simple. The arrogance manifested by the sangh-brigades was on an issue that does not disturb the ruling class and the rich. But, the criticism by the trade unions, other social organisations and social activists are all on issues, which though involving the lives and livelihood of mass of the common people, militate against the interests of a handful of exploiting class. The era of liberalisation, privatisation and globalisation is further distorting the societal balance in favour of the rich and elites, with its natural impact on various institutions. Assertion by the people and the democratic institutions of their right to assess the quality of judgments is of paramount importance for the defence of democracy and fundamental rights, guaranteed in the Constitution.

Gentlemen of the judiciary may do well to remember that people will continue to assert such rights, at all costs.

UNMASKING THE MYTH OF PRIVATISATION

Jayati Ghosh

The basic problem with privatisation is that it confuses the role of the public sector with what private sector. Corruption played a big role in undervaluing our assets and in cheating the citizens of their taxed money, benefiting large private players! in the sell-off of BALCO, VSNL and other major PSUs cheap, there is no doubt. But, there is a basic reason why, in fact, all privatisation inevitably involve undervaluing State assets. There is no State asset that is actually sold at its true value.

If the government actually sells an asset, it is not taking on debt in a sense. In other words, it can either sell an asset or can take a debt of that amount. So, when the government is giving up an asset, it is giving up all the returns on that asset; this in turn means that it is giving up a future stream of income from that asset. If the government takes a debt of the same amount, as it may get from a PSU-sale, then it would be paying a rate of interest. So one has to compare the future return of these asset for sale with the debt, the government may have to incur and the interest liability thereon, if it does not opt to sell the PSU. If you are selling anything at a price, which reflects a discounted future income, which is lower than the rate of interest, then you are selling it cheap.

But view it from the point of view of a private buyer. Why should a private buyer buy a Government asset, if he were to pay more for it than what he can get as interest by depositing the amount in a bank? So, no private buyer is interested in buying unless they are actually buying the asset at a price, which gives them a return higher than the rate of interest. A PSU that is sold, therefore, means that the asset is undervalued and it is undervalued in two ways. It is undervalued through various means. The govt. is, in fact, running down these companies before they are sold so that they are declared as loss making or as one with a declining profit. They are not allowed to reinvest and then the share value is dropped and then they are sold for the low market value of the share.

FALSE ASSUMPTIONS

So this is not just the market price, which is

undervalued. It is also the fact that while selling these assets, the govt. is actually undervaluing the social returns from these public assets and this is very crucial. Public Sector engages in social investments, where the rate of return to the society is higher than the rate of return to an individual or to any private investor. The private sector will not enter a whole lot of areas. It will not enter, for example, the whole range of irrigation schemes in rural areas, for education for the poor, sanitation, basic road building etc., because the returns to the private profits are simply not there and therefore it is important for the Public Sector to invest in these areas. In Andhra Pradesh the government has sold off crucial public sector assets, the Irrigation Development Corporation, Small Scale Industries Development Corporation. These are things, which are not possible to be replaced by private sector. These are simply going to disappear from the economy of Andhra Pradesh. In other words, A.P. will now have no facilitator for irrigation, small-scale industrial development, road building and so on.

Thus, it is not as if the private sector rushes in whenever the public sector disappears. This just simply does not occur. That is one of the major flaws in any analysis, which tries to look at the public sector only in terms of the market rates of return as well. So, there is a basic theoretical fallacy in the whole issue of privatisation. The Central govt. also is trying to dispose of not just the valuable profit-making assets but also its activities in the crucial areas, where the private sector will not come in. So, the notion that if the public sector removes itself from say, electricity generation, the private sector will rush in and invest, is completely false. We have seen how this cannot happen and the only cases that will occur like Enron, which reflects a completely unviable power purchase agreement, or the case of Cogentrix. In other words, private sectors will not enter into areas, which are risky, which have long gestation period and which have a substantial proportion of the population, who require the services but cannot pay high rate for it.

RENATIONALISATION TREND

Our government always tells us that everywhere in the world you have to privatise, that is the name of the game, there is no alternative. This is simply not true. The current international trend is renationalisation of industries that has been privatised.

Why is this re-nationalization? What is the reason for this trend? It is because the attempts at privatisation, especially in the countries where the most sweeping and comprehensive privatisation had taken place have proved quite significantly unsuccessful.

One of the most dramatic examples of the failure of electricity privatisation was in California in the United States. There, privatisation happened in the early 1990s to mid 1990s and essentially it was made tripartite, which is also the password in India (unbundle electricity system into generation, transmission, and distribution). What resulted there was by 1998, a huge shortfall - to the extent of 40 per cent - occurred in electricity generation and consequently in transmission and distribution. By the year 2000, the people of California started facing major power cuts for 4 to 5 hours a day. There was a tremendous outcry. Meanwhile, the private power distribution companies raised their prices. People without power. Pensioners, poor people, could not pay their bills for two months in a row, had power supply cut off. But very quietly, the state government of California had taken over all the functions again. There was not much of media reporting about it. In reality, the state government of California took over a sick power industry, which had been made sick in six years of private regime, with complete disarray in terms of generation and distribution of power.

In the United Kingdom, the Railways was one of the big examples of privatisation. The British Railways is very large, big, monolithic organisation. It was privatised into many different small companies. One company, *Rail Track*, covered most of the country and other companies looked after the rail traffic between London and major Metropolitan areas. First, a whole lot of small lines, which were likely to be non-profitable, were simply closed down. People then had to change 5 buses and travel for 27 hours even, where earlier they could have gone in 4 hours. Second, the

private companies were maximizing profits, by cutting down on safety precautions, maintenance and so on. Suddenly from 1998 onwards, there was a huge increase in the rate of train accidents - explosions in tunnels, derailling of trains - in Britain, which used to be one of the safest in the world. Third, even after doing all these cost cuttings, they were not able to maximize profits to the extent they wanted. So by May 2000, The *Rail Track* Company, which operated most of the railways in Britain, went into liquidation. It actually closed down. Afterwards, very quietly, the Government went in and renationalised the *Rail Track*! All the noise and drama that surrounded privatisation did not accompany renationalisation. But, it has occurred very much. In other words, even in Britain, which is the Signature Zone of Privatisation they are now in the process of quietly renationalising the industries, which the private sector has managed to flop dramatically in less than a decade.

The other great example is New Zealand, which over the decade of the 1980s it managed to sell off everything, practically all State assets, except the Parliament House building! New Zealand is now in the process of renationalising almost all of these things slowly. The official airlines of New Zealand had just been renationalised, as a part of six industries, which have been renationalised. There is discussion in New Zealand Parliament now to renationalise all the others.

After the terrorist attack in the US, realisation dawned on the Bush administration that the privatisation of airport security was the villain of the piece. The hijackers could easily dint all the security arrangements and get free access to the flights crashing in to WTC. Instantly, the airport security was renationalised by the US govt! Those countries, which had been the pioneer proponents of privatisation, have been silently retracing steps towards a re-nationalisation out of their own experiences. But, these countries through various international agencies are still pressurising India to tread on the suicidal path of privatisation, suicidal for the people and the country and may be, beneficial for some individuals involved in the process. We must fight back the grave conspiracy to kill our economy.

(Excerpts from the keynote address at a conference against privatisation in Hyderabad)

I.D. ACT AMENDMENT: A CHALLENGING TASK BEFORE TRADE UNIONS

W.R.VARADA RAJAN

"At long last, the Government has decided to take the labour bull by its horns: It has decided to amend the Industrial Disputes Act, passed 55 years ago, and bring it in tune with present circumstances and requirements. Companies employing 1,000 or less will now be free, in their best judgment, to resort to retrenchment or lockout to maintain their viability. The decision will come as a boon to 92 per cent of the units in the organised sector employing a workforce of 35 million."

This is how a columnist in the Business Line (27 Feb.) welcomed, with unconcealed glee, the move of the NDA Government to amend the I.D Act.

EMPLOYERS' PRESSURE

The Industrial Disputes Act, enacted during 1947, did not contain any provision to regulate the moves by employers to effect closure, retrenchment or lay off. Only in response to the demand voiced and struggles carried on by the trade union movement, the Act was amended in 1976, which introduced the provisions requiring the employers to seek prior permission from the appropriate Government in this regard. At that time these provisions were applied to establishments employing 300 or more workers. As the employers were continuing their offensives against the workers, by manipulating to keep the number of workers below 300, the trade union movement demanded that the coverage of these provisions should be extended to establishments employing below 300 workers also. The Government brought another amendment during 1982 reducing the number from 300 to 100. Initially the employers' lobby was only raising a demand that the position obtaining at the time of 1976 amendment, i.e., 300 limit, be restored. But, taking advantage of the anti worker mindset of the NDA Government they had started pitching their demand for total repeal of these provisions. A Task Force on trade and industry, constituted by the Prime Minister, comprising representatives of all the major private industrial houses viz. K.M.Birla, Nusli Wadia, P.K.Mittal and Ratan Tata,

had recommended action to amend the Industrial Disputes Act to allow an industrial unit to close down / retrench / layoff employees without seeking permission from any Government, provided mutually agreed compensation is paid to the employees.

The NDA govt. has faithfully fulfilled the task mandated to it by the big business. The only change in the script is the prescription of the compensation package of 45 days per year of completed service, as against leaving this open to mutual agreement.

Apart from this changes in Industrial Disputes Act, 1947, the report had outlined other "reforms" as well. They include: withdrawal of all restrictions and regulatory provisions relating to working hours and compulsory rest period etc. in Shops & Commercial Establishment Act and introduction of the concept of Flexi-time in regulating working hours. Payment of double wage for overtime work and those pertaining to sick leave, earned leave etc. are unreasonable and disadvantageous in a competitive market. Drastic changes are called for in the Payment of Wages Act, ESI Act, and EPF Act. Labour inspectorate system must be abolished. So on and so forth. That is why the employers, while welcoming this move to amend the Industrial Disputes Act, have termed it as 'not adequate', in the hope that further measures to fulfill their further aspirations will also follow.

SUB-STANDARD EMPLOYMENT

The 'Economic Survey' presented to the Parliament on the eve of the budget presentation is a rank admission that the exuberance associated with the economic reforms process, initiated in 1991 and more zealously pursued by the BJP led Govt., has evaporated and a sense of gloom has set in. Despite all the concessions and incentives heaped on the corporate households they have performed the least. The private sector investment had registered a fall. The growth rates of real gross domestic capital formation in both public and private sectors have shown only deceleration. There was a distinct

deceleration in growth of manufactured exports and slowdown in growth rates of core and infrastructure industries. Industrial slowdown has been observed across all major sectors.

On the employment front, the Survey noted: "Overall employment is estimated to have grown by about 1 per cent during the period 1993-94 to 1999-2000, compared with the growth of 2.43 per cent during the period 1987-88 to 1993-94. Organised sector (both public and private) employment grew by 0.53 per cent during the period 1993-94 to 1999-2000". Worse still, "an absolute shortfall in agricultural employment has occurred for the first time". All the regeneration of economic activity predicted is a mere pipe dream as is signified by the negative growth of 4.8 per cent recorded during April-Dec. 2001 in the capital goods sector. There had been no considerable import of capital goods either. Thus, the Vajpayee Govt., in the name of ensuring employment generation through flexible labour laws, is only determined to reduce the quality of employment to sub-standard levels through fracturing of the labour laws.

REVEALING FINDINGS

The proponents of the 'labour market reforms' have been trying to fork out certain social and economic objectives or justifications. They argue that flexible labour laws will accelerate economic growth, attract more foreign direct investment and promote employment generation. Worldwide there is no positive evidence to support these arguments. Rather the evidence in India itself testifies to the opposite.

The Institute for Human Development had conducted a recent study based on 1300 firms belonging to nine industries in 10 States and eight size groups of employment. It is interesting to note some of the findings of that study.

"Our study showed that employers brought about an increase in total employment by increasing the share of non-permanent employees and increase in manual employment by increasing the share of women workers". "It is generally believed that in the formal sector the earnings of a worker consist of a basic wage, DA and a bonus. But our sample showed that more than four of every five firms paid a consolidated wage". Payment of separate DA was reported by only 12 per cent of the firms

whereas consolidated wage was reported by 75 per cent".

Coming to the specific issue of the Industrial Disputes Act provision placing 'restrictions on exit' the survey showed that "the share of employers covered by the exit ban reporting a decrease in employment is not only higher than that of the employers not restrained by the 1984 Amendment but it increases with the size of the firm. In other words, proportionately more of the bigger firms than smaller ones have been able to reduce employment".

The study concludes on this note: "We found that employers who increased employment resorted to employing flexible categories of workers such as temporary, casual, contract and women. Even if the exit clause were rolled back, employment of non-regular categories is likely to increase thereby increasing the dualism in the labour market" (emphasis added).

Incidentally, this study has been reported by L.K.Deshpande, in an article in the Indian Journal of Labour Economics (July-September 2001), who is not opposed to - labour flexibility.

This is proof positive of the fact that not only the justifications adduced for flexibility of labour laws are untenable but also that the main motive is to usher in perpetual contractorisation and casualisation of labour.

RESIST THE CHALLENGE

Trade Unions in the country, with not a single exception, have naturally raised the banner of resistance to the move initiated by the NDA Govt. It is heartening to find that some of the constituent parties in the NDA alliance have also come out with overt or covert disapproval. Even the Finance Minister was forced to be little circumspect on the subject while replying to a media comment that: "..... on this very important part of labour reform we are facing problems. Unfortunately, there is no consensus. The largest opposition party has already declared they are not going to support us on this. We will continue to reason with them and hopefully things will turnout for the better. But I can't be very sanguine at this stage."

But, the working class and the trade union movement must bear in mind that countrywide united movement of the working class is the only option to meet the challenge effectively.

M.P.: STRUGGLE OF THE DAILY-RATED WORKERS

The struggle of the daily rated workers in various departments of the State Govt. has made an important stride, with the MP High Court nullifying the renewed move of the State Govt. to retrench the daily rated workers deployed in various departments for more than a decade. CITU was the petitioner in the case.

In various departments of MP State Govt., several thousands of daily rated workers were being deployed for over a decade in all types of jobs, mostly of permanent and perennial nature. The main reason for such high incidence of daily rated employment was that the Govt. could get all kinds of work done by paying a pittance of Rs 1800 to Rs 2200 instead of Rs 5000 to Rs 12000 in case of permanent employees.

In line with the directives of the World Bank and IMF to downsize the workforce, the MP Congress Govt. has long been trying to dislodge the daily rated workers. As against this, the daily rated workers have also been agitating for regularization, since most of them have been deployed in permanent nature of jobs. CITU has been organising these employees in the union.

Earlier, the Congress Govt. issued a notification on retrenchment of all daily rated workers recruited after 31st December 1988 with effect from 1st August 1994. CITU challenged the Govt. order in the High Court at Gwalior,

which stayed the retrenchment order. The jobs of 28000 daily rated workers could be saved although temporarily. Side by side, CITU had been carrying on agitation to regularise all the daily rated workers deployed in permanent nature of work.

In the face of the stay order against retrenchment, the State Govt. tried to find a different route to crush the rising struggle of the daily rated workers. The State Govt. then issued a notification bringing the daily rated workers out of the purview of the industrial relations statutes forbidding them to approach the Labour court to sort out their service related grievances. And by a subsequent move the Govt. also denied the coverage of the Industrial Disputes Act to the employees of the Govt departments. On the other hand, the State Administrative Tribunal also refused to give cognizance to the grievances of the daily rated employees, as according to them they are not Govt. employees.

After making all these arrangements, the State Govt. again started its move to do away with the daily rated workers from all departments. The State Govt. again announced retrenchment of more than 28000 daily rated workers recruited after 31st December 1988 with effect from February 2000. Such arrogant move of the Govt. has created so much resentment among not only the agitating workers but also the

people that even a section of BJP and Congress leaders in the State had to publicly oppose the Govt. move. In view of such increasing opposition, the Govt. constituted a Panchayat with the Chief Minister as its head to decide on the matter after hearing all the parties. CITU placed its viewpoints before the Panchayat opposing retrenchment and justifying regularisation of all the daily rated employees.

As usual, the Panchayat headed by the Chief Minister upheld the decision of retrenchment by the same Chief Minister as head of the State Govt., after the drama of hearing all the parties. CITU, while opposing the decision through militant mobilisation of workers, also challenged the Govt. decision in the High Court.

On 2nd January 2002, the High Court in its historic order, nullified the decision of the Panchayat in respect of retrenchment. The High Court also gave various Govt. departments the status of industry for the purpose of coverage of ID Act, which is having far reaching implication. The High Court also ordered quicker disposal of the disputes of the already retrenched daily rated workers through labour department and labour court.

In this background, the CITU state Committee has decided to intensify the struggle and organisationally consolidate the daily rated workers throughout the State. The daily rated workers have massively responded to the call of CITU.

REPORTS & EVENTS

The State Committee has decided to hold massive rally before the State Assembly on 15th April

2002, where a mass petition signed by at least 10 lakh workers will be submitted to the Speaker. The

workers are carrying on vigorous mass signature campaign in all the districts and also preparing for rally.

(Report from Pramod Pradhan)

NEW DELHI: MASSIVE DHARNA BY PSU WORKERS

More than five thousands public sector workers staged a dharna before Parliament on 6th March, to protest against the policy of total sell-out national assets through outright privatisation of PSUs and also against the move to amend the labour laws in favour of the employers. The dharna endorsed the decision of the public

sector trade unions to go in for COUNTRYWIDE STRIKE ACTION ON 16TH APRIL 2002; the notice for which will be served on 2nd April, by holding demonstration in all places.

From the dharna, a massive procession marched towards Parliament and converged into a rally in Patel Chowk at Parliament

Street. The rally was addressed by M.K. Pandhe, S. Devroye (CITU), D.L. Sachdev, H. Mahadevan (AITUC), Harbhajan Singh, A.D. Nagpal (HMS), Michael Fernandes (JAF, Bangalore), Y Adinarayana (PSU Cord. Committee, Hyderabad), Ramanand (AIBEA), SR Saini(AIIEA) and others.

ASSAM: PUBLIC SECTOR WORKERS' CONVENTION

Guwahati, 10th February 2002. The state convention of public sector workers was held with the participation of 63 delegates from 20 public sector units viz., Coal, IOCL refineries, IOCL-AOD, BRPL, NRL, GSPL, HPCL, HFCI, NEEPCO, Powergrid etc.

Deben Bhattacharya, General Secretary, Assam State CITU placed the declaration before the convention outlining the need for countrywide united struggle including strike action all over the country to resist the anti-national policy of the Central Govt. 18

delegates took part in the deliberation. The convention has given a call to the PSU workers in the State to prepare for strike action in public sector units to be decided in the all India convention going to be held on 5th March.

DEMONSTRATION BY IISCO WORKERS IN DELHI

Hundreds of workers of IISCO, who came all the way from Burnpur, West Bengal, demonstrated before the Union Steel Ministry at Udyog Bhawan on 7th March, to demand immediate Govt. support for revival of the pioneer steel plant in the country, the Indian Iron & Steel Co Ltd., (IISCO). The 'Save IISCO Committee'

comprising all the workers' unions affiliated to CITU, AITUC, BMS, INTUC, HMS and officers' association gave the call for demonstration. Those who addressed the demonstration were Ardhendu Dakshi, Tapan Sen, both Secretary of CITU and Bikas Chowdhury, M.P.

From the demonstration, a delegation of the IISCO workers

and Officers consisting of Jiten Dubey, Debesh Das and Mr. Pan, along with Bikash Chowdhury and Jibon Roy, both members of Parliament and Ardhendu Dakshi, Secretary, CITU met the Steel Minister to reiterate the demand of the IISCO workers for its revival.

Haryana : STATE CITU GENERAL SECRETARY JAILED

The operations in the stone quarries in the Khanak village area of Haryana stand paralysed since February 2. Brutal police atrocities to break the strike being carried on by the quarry workers under the leadership of Pahar Khan Mazdoor workers and CITU, against the illegal extortion regime by the contractors in association with the State Govt. Hundreds of workers and common village folk including women and children got severely injured by house-to-house police raid in the Khanak village. More than 100 villagers, and workers including women and minor children were still in jail. To demoralise the striking workers, the State Administration arrested Satveer Singh, General Secretary of Haryana State CITU, Dharamveer Kungar, Secretary of Bhiwani District CITU and other

office bearers of Pahar Khan Mazdoor Union, Anil Sharma and Karamveer on 21st February from the office of Dy Commissioner of Bhiwani District, where they came for attending a meeting called by the DC. Those comrades had also been tortured severely in custody by the police to make them agree at the dotted line of the Stone quarry contractor but in vain. On the other hand the contractors along with the local police have been trying to start work at the quarries but miserably failed.

The Haryana State CITU has submitted a petition of complaint to National Human Rights Commission against the brutal atrocities carried on by the police on the workers and villagers. M.K. Pandhe, General Secretary, CITU had already written to the Chief Minister of Haryana denouncing the brutal attack on the lawful

trade union struggle by the Stone quarry workers at the behest of the Contractors combine. He also wrote to Chief Labour Commissioner (Central) demanding intervention against the State Govt. and the contractors there for desperate violation of Mines Act and other statutes. CPI (M) MPs, Hannan Molla, Subodh Roy and Chandrakala Pandey visited the stone quarry area, met the workers. They also met the local administration and denounced their shameless role in support of the erring contractors. Throughout the State, solidarity demonstrations are being held in support of the heroic struggle by the stone quarry workers. On 14th March 2002 a massive rally was held at Bhiwani where various opposition parties of also took part to voice their support to stone quarry workers and condemn Chautala Govt.

MASSIVE WORKERS' RALLY AT HISSAR

Fifteen thousand workers converged in a mass rally at Hissar at the call of CITU. The call of the rally was given to highlight the anti-people, anti-worker policies of both the State Govt of Haryana and the Central Govt and declare the struggle programmes.

The workers from brick kilns, construction, stone quarries, forest workers, handloom workers and also big section of the rural workers

joined the rally in a big way from all over the State. Notable was the participation of thousands of women workers of aganwadi.

The meeting was presided over by S N Solanki, President, Haryana State CITU. At the outset a unanimous resolution was adopted denouncing the arrest and demanding immediate release of Satveer Singh, General Secretary, Haryana State CITU along with other leaders of the stone quarry

workers. The rally declared full support to the ongoing strike by the stone quarry workers of Bhiwani District.

M K Pandhe, General Secretary, CITU, Tapan Sen, Secretary, CITU, Hannan Molla, MP and Secretary of All India Agricultural Workers Federation, Inderjit Singh, Secretary, Haryana State CPI (M), Jagamoti Malik, General Secretary, Haryana State Anganwadi Union and Jagamoti Sangwan, President,

REPORTS & EVENTS

Haryana State Janavadi Mahila Samity addressed the rally and called upon the workers to join the forthcoming countrywide united struggle against the anti-people economic policies including

countrywide strike action. They also denounced the rabid pro-employer policy of the State Govt while asserting that it has to be combated by statewide militant mobilisation and struggle.

The rally also passed a unanimous resolution demanding implementation of labour laws and other statutes relating to minimum wages, safety, and welfare related measures for the workers of unorganised sector.

Workshop on 'Protect Public Sector - Protect Public Interest'

Eminent economist Jayati Ghosh told that reducing the number of employees by 10%, as announced by the Finance Minister Yashwant Sinha, would result in an overall saving in the expenditure by only 0.2%. Services like generating and providing power, water, and other essential services should be maintained by the Government in the larger interests of the people. Jayati delivered the key note address in the two day workshop on 'Protect Public

Sector - Protect Public Interest', organised by the Andhra Pradesh Public Sector Employees' Federation.

Sukomal Sen, General Secretary, All India State Government Employee's Federation, inaugurated the workshop. He told that the year 2002 had begun with an alarm bell for the working class and the poor in the country. As a result of the policies of so-called 'reform', the country is going to lose its economic sovereignty,

which would ultimately lead to the erosion of the very precious and hard earned political sovereignty of the country and the people. W.R. Varada Rajan, Secretary, CITU spoke on 'Labour reforms and Trade Union perspective'. Nageswar, Head of Department of Journalism, Osmania University, Janardhana Reddy, Chairman, AP Public Sector Employees' Federation, gave an overview of the workshop, in which several leaders of other unions/associations also spoke.

BANK OF BARODA : BUSINESS STRATEGY?

The Bank of Baroda (BoB) Management had assigned to the US-based firm of consultants, Gartner, the task of recommending a Business Strategy for it. What Gartner submitted to the Bank is voluminous. The summary itself runs into 27 pages.

Developing a plan to take a public sector bank to a greater height is OK. But, the question is how wise it will be to replace the experience, knowledge and wisdom of the Board of Directors of the Bank by a Business Strategy technically

developed by some consultants, who are bound to be guided by the American business ethics and interests? After all, the firm could not, and did not, rise above the stereotyped pattern of recommendations. Its findings were that the Bank would need to modify its operating model, dramatically change the composition and structure of its workforce and restructure its banking operations. Based on those findings, it recommended re-organisation of the Bank, which

would lead to reduction in the number of offices and branches through closure and merger and downsizing of the employment level from 40000 (earlier reduced through VRS from 47054) by 38 per cent to 25000. Thus, the real goal of the Bank is exposed, which is developing BoB to a low cost bank at the cost of the common men and the employees.

Rightly the employees (both officers and workmen) of the Bank have joined in a united struggle against this strategy. The impact

REPORTS & EVENTS

of the BoB's strategy will not remain confined to this Bank, but will be felt by the employees in the

entire banking industry. The BEFI and the UFBU have lent our support to the struggle in BoB also

done so.

(Courtesy: Circular by Bank Employees Federation of India)

FOREIGN INVESTMENT IN INDIAN BANKING SECTOR

The Government of India has reportedly decided to upraise Foreign Direct Investment in Banking Sector from existing 20% to 49%. This is in addition to existing 49% limit relating to Foreign Institutional Investments (FIIs).

In total, this means, foreign capital in Indian Banking System will be allowed up to 98%.

This ill-advised move will open the floodgates of take-over all major private sector banks in India by foreign capital. Already press

reports indicate some such moves are in advanced stage with regard to some Indian private banks - old and new. Once these private banks are owned by the foreign capital, it will automatically have direct impact on nationalised banks, where also the foreign capital can go up to 49%. All these pose a great danger to Indian banking system and its economy. Once foreign capital is allowed to have a hold on national resources mobilised in private banks, the very economic sovereignty of the

country will be at stake.

The Government/RBI decision to allow 98% equity in private banks is against national interests. The Bank unions have urged the Government review the decision, revoke it and restrict foreign capital to 20% of the total equity in any bank in India - public or private. In fact, there is no justification for even this 20% foreign equity in any private Indian Bank.

(Courtesy: Circular by All India Bank Employees Association)

Anganwadi Employees' Honorarium Enhanced

The All India Federation of Anganwadi Workers and Helpers congratulated all its affiliated unions and the more than 10 lakh anganwadi workers and helpers in the country, on achieving enhancement of their honorarium. The Finance Minister has announced that the allocation to the Women and Child Welfare Department in the Budget this year has been increased by 33% and a provision has been made for enhancement of the honorarium of the more than 10 lakh anganwadi workers and helpers in the country. The Minister of State for Women and Child Development

has announced that the honorarium of the workers and helpers, which is only Rs. 500/- for workers and Rs. 260/- for helpers per month now, would be doubled. These announcements have come after several years of struggles by the anganwadi employees in the country, braving severe repression in many States.

The federation expressed its disappointment that while the workload on the anganwadi workers and helpers has increased several times in the last few years, the enhancement announced by the Government is not commensurate with the work they are made to

do. Though they are called part time workers, they are forced to work for 6-7 hours per day. Besides, it falls far short of the long-standing demand of the anganwadi employees that the anganwadi workers and helpers be paid an honorarium of Rs. 2,000/- and Rs. 1,200 pm respectively, pending regularisation of their services. The Government has also not considered their demand for regularisation of services, in spite of the Karnataka Administrative Tribunal's order that anganwadi workers and helpers should be treated as Government employees.

REPORTS & EVENTS

Many other problems of the anganwadi workers and helpers still remain unattended. The rent for the anganwadi centres remains Rs.120/- and Rs.25/- in urban and rural projects, at which rate it is impossible to get accommodation for the centres, and the anganwadi workers are forced to bear the extra rent from their own pockets. Besides in many States, even the benefits given by the Government of India, like extra payment for extra work, Welfare Fund, Group

Insurance, formation of Grievance Redressal Committees at the State and District level, reservation in the village level posts like ANMs, Primary School Teachers, etc, and provision of 135 days' maternity leave are not yet being implemented. Several States have handed over the management of the anganwadi centres to the Panchayats or the NGOs as a result of which the scheme itself faces the danger of becoming non functional.

The AIFWAH demanded that the Government issue the required notification and implement with immediate effect the announce enhancement and appealed to all the anganwadi workers and helpers to continue their struggles till their demands of regularisation, just remuneration for the work performed by them and a stop to handing over the anganwadi centres to the panchayats or non governmental organisations etc are also achieved.

Anganwadi Federation: Ail India Workshop on Organisation

The All India Federation of Anganwadi Workers and Helpers, in its Working Committee meeting on 27- 28 December 2001 at Kolkata, decided to hold a national workshop on organisation on the 9-10 March. Accordingly, the workshop was held, at BTR Bhawan, New Delhi, as scheduled. 55 selected activists from 15 States participated in the workshop. Neelima Maitra, President of the Federation presided.

Hemalata, General Secretary of the Federation presented a note on the present strength of the organisation in different States, and the measures required to be taken to expand and consolidate the organisation. The note particularly reviewed the State of the Organisation in the Hindi States. The participants were divided into groups to discuss on four basic issues, - expansion, democratic

functioning, cadre development and education and planned activity. On the basis of these discussions, the Workshop concluded that though the Federation had affiliated unions in 17 States, its strength was not uniform. While 73.73% of its membership came from only 3 States, the rest of it was also unevenly divided among the remaining 14 States. Even in the strong States, the strength was not uniform. The workshop noted that there was tremendous scope for expansion, as most of the anganwadi workers and helpers were entirely unorganised and were severely exploited. The recommended that the Working Committee of the Federation should discuss the organisation in the Hindi States at least once in a year. The All India Centre should extend guidance and help to the Hindi States and conduct trade union classes specifically for the

Hindi States regularly.

In the second session, the discussions were focussed on Democratic functioning. The Workshop self critically examined the issue of democratic functioning at various levels of the organisation from the All India Working Committee to the Project Committees... The Workshop suggested several measures for improving the functioning of the State, District and Project Committees and emphasised the necessity of improving the financial position of the various committees. Project committee functioning was identified as the key for improving the functioning of the organisation.

Shortage of cadre was identified as one of the main reasons for the inability of the unions in utilising the opportunities for expansion. Though all State committees faced

REPORTS & EVENTS

this problem, they were unable to pay enough attention to development of cadre. The Workshop decided that proper attention should be paid to identify active cadre during campaigns, educate them, give them responsibilities in the union, help them in discharging their responsibilities, and promote them, so that activists can be developed into cadre. It was also decided to

conduct regular trade union training classes at the project, district and State level. The anganwadi workers and helpers should be made aware of the relationship between policies of the Government and their conditions and the necessity to join the general trade union struggles. The Workshop in its last session discussed on the importance of organising the activities by

preparing a proper plan, on the basis of the concrete conditions of the organisation in the State.

The Workshop recommended holding of such Workshops in all States at State and district level to self critically examine the organisational position and decide steps to expand the organisation and develop a strong all India movement of the anganwadi employees in the country.

AIFAWH Working Committee Meeting

An extended meeting of the working committee of the All India Federation of Anganwadi Workers and Helpers was held on the 11th March 2002, at BTR Bhawan, New Delhi. Neelima Maitra, President, AIFAWH presided. 33 members and invitees from 14 States, participated in the meeting. The committee condoled the death of the hundreds of innocent people in the communal carnage, as a result of the goings on in Ayodhya.

Hemalata, General Secretary, AIFAWH, presented the report. The committee examined the present situation in the country, wherein the BJP and the Sangh Parivar are trying to divert the attention of the people and raking up communal violence. As village level workers, the anganwadi workers and helpers should work to preserve peace and communal harmony among the people in their villages. The committee appealed to all the affiliated unions and their

members to ensure this.

The Working Committee noted the announcement made by the Minister of Women and Child Welfare that the honorarium of the anganwadi employees would be doubled, and observed that this was only the result of the sustained struggles launched by the anganwadi employees. It congratulated all its members for achieving enhancement in the honorarium.

The Working Committee also reviewed the Workshop on Organisation held on the 9-10 of March and felt that it would be useful in strengthening the organisation in the coming days. The Committee noted with satisfaction that in all States, preparations were going on well to make the rallies on 8th April at the State capitals, a big success.

The Committee welcomed and accepted the offer of the Orissa State Committee to hold the All India Conference in Puri. It has

been decided to hold the 4th Conference of the Federation in the first week of July 2002, on the basis of the membership in 2001. The Working Committee agreed to the request of the Orissa State Committee for financial support for holding the Conference.

After a detailed discussion on the report, the Working Committee took the following decisions:

- * To campaign widely on our stand on the enhancement on honorarium, among the anganwadi employees, through leaflets, general body meetings, etc.

- * Big rallies at State capitals on 8th April

- * State and District level workshops on organisation to be completed in April - May 2002.

- * Intensive Membership Campaign immediately after the district workshops.

- * Participate in the All India Strike on 16th April.

REPORTS & EVENTS

BALCO : Contract workers resist big offensive

BALCO, after privatisation is going downhill and therefore attacks on the workers, contract workers, even officers have been intensified by The Sterlite management. Two months back about 80 contract workers, who have been working there for the last 15-20 years were retrenched on the plea of no job. The reason shown is false and legally not permissible because M/s Sterlite has given an undertaking to the Supreme Court as well as Government of India that there would be no retrenchment of workers for two years. The conciliation meetings failed because the management refused to take the workers back. The

appeal that the workers be taken back by February 28, 2002 was rejected. The entire force of 2000 contract workers went on strike. On 2nd March 2002, the local administration, police and the Sterlite management went all-out to break the strike. The workers could not go near the factory gate but still they were lathicharged without any provocation and about 50 workers were injured 5 seriously. 200 workers were arrested, 15 of them women. But this attempt of terrorising them failed. Then police went house to house to arrest the workers but that also failed to break their morale. CITU leadership immediately

intervened. A. Dakshi, Secretary, CITU, was in Korba (BALCO) on that day. He contacted the District Collector and demanded release of the workers, arrange for treatment of the injured and to bring back normalcy. Pandhe, General Secretary, CITU, immediately faxed a letter to Ajit Jogi, Chief Minister, Chattisgarh requesting him to intervene and bring normalcy there. He demanded action against the police officers responsible for unprovoked lathicharge. The heroic struggle continued and finally management had to relent and the workers have been taken back by the employer.

After BALCO, VSNL and PPL etc.....

NOW JESSOP TO THE RUIAs FREE OF COST WITH GRATIS !

Jessop is being handed over to the Ruia Cotex free of cost with gratis. The whole arithmetic of transaction as reported by press is like this. At least Rs 250 crore worth Jessop is being transferred to the Ruias in exchange of Rs 18.18 crore. As a part of the deal, the sale value of five acres of land just sold to Metro Rail (Rs 14 crore) will also be handed over to the Ruias. Also as part of the deal, Ruias will also get Rs 11 crore for purchasing raw materials, may be as loans or grants. The end result is Rs 6 crore gratis to The Ruias along with "Jessop free of cost".

And that is not all. As part of the deal, all loans and liabilities of Jessop will be waived. The privatized Jessop will also be specially favoured with a two years' purchase preference from Railways ensuring guaranteed order book position. Incidentally same favour of waiver of loans and liability or guaranteed order book from Railways and assistance for working capital were denied to Jessop within PSU framework while dealing on the Revival package in BIFR. Had the same facilities been allowed to Jessop by the Govt and also to other wagon building units like Burn Standard and Braithwaite, they could turn around by their own strength.

But that cannot be the case under Vajpayee-Shouri regime, where PSUs and national assets are for distress sale or free gift to favoured individuals.

(Source: Ganashakti, Kolkata, 12-03-2002)

CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS ON BASE 1982=100

Sr. No.	Centre	Month		Sr. No.	Centre	Month	
		Dec'2001	Jan'2002			Dec'2001	Jan'2002
1	Rangapara-Tezpur	430	416	38	Jaipur	438	435
2	Raniganj	415	402	39	Jamshedpur	425	423
3	Howrah	538	526	40	Ludhiana	421	419
4	Labac-Silchar	376	364	41	Ahmedabad	464	462
5	Rajkot	438	430	42	Guwahati	481	479
6	Ranchi-Hatia	436	428	43	Ghaziabad	465	463
7	Darjeeling	402	394	44	Chennai	502	500
8	Kolkata	526	517	45	Belgaum	503	502
9	Pune	522	514	46	Solapur	482	481
10	Balaghat	421	412	47	Nagpur	487	486
11	Varanasi	482	474	48	Hubli-Dharwar	463	462
12	Haldia	580	573	49	Monghyr	433	431
13	Bhillai	407	400	50	Gudur	447	447
14	Mercara	460	453	51	Bhopal	507	507
15	Asansol	456	449	52	Tiruchirapally	515	515
16	Salem	461	454	53	Yamunanagar	430	431
17	Jabalpur	467	461	54	Srinagar	542	542
18	Kanpur	449	444	55	Visakhapatnam	456	460
19	Ajmer	466	460	56	Amritsar	403	404
20	Coonoor	464	458	57	Alwaye	469	471
21	Surat	478	473	58	Bangalore	447	448
22	Jharia	373	368	59	Pondicherry	493	494
23	Noamundi	419	415	60	Saharanpur	426	428
24	Kodarma	386	381	61	Hyderabad	455	460
25	Quilon	469	464	62	D.D.Tinsukia	391	396
26	Madurai	458	454	63	Guntur	460	466
27	Coimbatore	453	449	64	Mumbai	536	543
28	Mariani-Jorhat	416	411	65	Nasik	504	511
29	Barbil	428	423	66	Thiruvananthapuram	516	523
30	Delhi	533	530	67	Durgapur	532	540
31	Jalpaiguri	416	413	68	Rourkela	409	418
32	Faridabad	471	469	69	Warangal	483	496
33	Vadodra	459	456	70	Chandigarh	497	513
34	Agra	424	422				
35	Indore	480	477				
36	Mundakayam	460	456				
37	Bhavnagar	481	478				
				ALL-INDIA		469	467

Additional Series of Labour Bureau				
State		Centre	December 2001	January 2002
Andhra Pradesh	1	Kethgudem	475	476
Himachal Pradesh	2	Himachal Pradesh	449	445
Rajasthan	3	Bhilwara	470	467
Madhya Pradesh	4	Chhindwara	441	432
Tripura	5	Tripura	443	424
Goa	6	Goa	568	569

BALCO - DOWNHILL AFTER PRIVATISATION

A Dakshi

Government of India forwarded a baseless argument before selling the 51% share of BALCO to Anil Agarwal of M/s Sterlite for only Rs.551 crores that the Government was not in a position to make further investment there and the private owner would pump in huge amount of fresh investment to modernise and expand that company.

CITU and other unions rejected that plea and pointed out that BALCO was profit making and was enough cash rich that could cover the cost of modernisation. The workers went on strike which continued for 67 days, after which they had to relent. But they maintained that the private owner would never invest heavily to upgrade the prestigious plant.

M/s Sterlite Industries have closed down the most profitable unit of Balco, namely profile and tube shop which makes tubes, extrusions - even missile casings and cannon shells. Naturally the die shop that produces dies for PTS is also shut down.

The Bidhanbag unit near Asansol, West Bengal that produces foils and conductors has also been shut down for the last one year.

Environmentally, this privatisation is a disaster. Caustic Soda, a strong and harmful chemical is used in huge quantities to treat the ore. Then the effluents are treated before being discharged to the river. Now they have stopped the treatment plant and the highly toxic effluents are the river. Sheet Rolling Mill let into also not being run regularly. BALCO is now producing only lump aluminium known as PIG, though almost the entire consumption of aluminium is in the form of tubes, extrusions and sheets.

There has been no investment, no planing for future expansion, not even a serious effort to augment production with the existing facilities.

In administration also, a major part of accounting and salary payment jobs have been off-loaded to a Hyderabad based small company, keeping own people idle. The worst development has taken place in industrial relation. Now the workers, even most of the officers, are being treated as domestic servants, if not worse. Some senior officers,

unable to stand the humiliations, have resigned. Others are suffering silently. There is no job assignment for workers, they are used anywhere at the will of managers. A sophisticated industry cannot be run like this and highly skilled workers also cannot be treated like manials. The resentment is growing everyday.

Naturally, the labour laws are being flouted criminally, even pay slip formats have also been changed for workers, so that the take home pay is much less on record. Incentive payment has been stopped for the last 12 months, despite an agreement in place.

The evil designs behind this type of functioning are not difficult to understand. M/s Sterlite wants BALCO to show loss so that a) they need not pay dividend to Government of India for the remaining 49% share (it has been reported that BALCO is selling PIG aluminium to sister units at below cost price so that BALCO makes loss and other wholly owned units under Sterlite makes profit); b) the share price comes down, as BALCO makes loss, and the rest 49% is next acquired at a much lower price and finally c) on the plea of loss the entire workforce is substituted by only contract labours on periodical basis with one fourth of wage and no fringe or social security benefits.

BALCO is one case that exposes the real face of the ruling class of our country and the nexus between them and the bourgeois political leadership, who are plundering the national assets, exploiting the labour, and cheating the national exchequer.

Recently the BALCO management had retrenched about 80 contract workers who are working in BALCO for the last 15-20 years. The main purpose is that Sterlite wants to get rid of these "permanent" contract workers, who remain on the job even if contractors change, and in their place Sterlite wants to engage contract workers on temporary basis for six months only and change them so that nobody can demand regularisation as per Contract Labour (R&A) Act.

(See report on page 25)

Sinha's Budget:

PHRASE MONGERING ON WOMEN'S EMPOWERMENT

K.Hemalata

Finance Minister Yashwant Sinha announced that the year 2001 would be observed as the year of 'Women's Empowerment'. This year he had increased the allocation to the Department of Women and Child Development by 33% to fulfil his commitment for women's empowerment.

A HOAX!

This is just a hoax on women. While the total allotment for the Department of Women and Child Development has been increased from Rs. 1,650 crores in 2001-2002 to Rs. 2,200 crores in 2002-2003, the amount earmarked for Women's Welfare has in fact been reduced from Rs. 185.23 crores in 2001-2002 to Rs. 171.47 crores in 2002-2003. Several schemes meant for girl children and women have either been discontinued or transferred to the States. For example, the 'Balika Samriddhi Yojana' - for which Rs. 24.80 crores have been allotted in the last budget - has been transferred to the States and no allocation has been made this year. The States, already reeling under severe financial crisis will hardly implement the scheme. Another scheme for women, 'Mahila Samriddhi Yojana', with an allotment of Rs. 8 crores in the 2001-2002 budget has been discontinued. Grandiose schemes are announced without providing any funds. The Prime Minister, in his Independence Day speech in 2001, announced a scheme, through which food grains at subsidised rates would be provided to adolescent girls, expectant and nursing mothers belonging to the BPL families through the anganwadi centres, and a National Nutrition Mission would be formed. The scheme is not yet approved. Even the consultative process for setting up the National Nutrition Mission is yet to start. The budget provides Rs. 5 lakhs for 'focussed' intervention in 150 relatively backward districts in the country. That is an amount of Rs. 3,333/- per district. How many adolescent girls, pregnant women and nursing mothers will benefit from this grand allocation is anybody's guess! The only major enhancement made in the allotment is for the ICDS Scheme and the proposed enhancement of the honorarium of

the anganwadi workers and helpers. (*see report on page 22-23*)

ADVERSE IMPACTS

The proposals for the decontrol and deregulation of agriculture, proclaimed in the name of 'kisan ki azadi' will only make the peasants, particularly the poor and middle peasants, 'free to commit suicides'. The removal of restrictions on new milk capacity will lead to the free entry of Multinational Corporations in the dairy sector. Millions of rural women, who depend on dairying as the sole or supplementary source of income, will be left at the mercy of these giant MNCs. The promotion of commercial crops in place of food crops will bring down women's employment in agriculture. With no new employment opportunities and even the existing job opportunities of women are being curtailed, while the Government indulges in hypocritical phrase mongering over 'women's empowerment'.

The removal of restrictions on the storage, selling and movement of food and agricultural products will only benefit the traders and hoarders and remove the minimum food security for the poor. Women, who eat last and only whatever is left, will suffer the most. Already around 80% of women in the rural areas suffer from anaemia due to malnutrition. The infant mortality rate, which has shown a gradual decline up to the 90s, has now become static.

The steep increase in the price of cooking gas makes the job of women in balancing the family budget more difficult. Even the kerosene prices were not spared. The emphasis on user charges for services, privatisation of civic services etc., will restrict the use of these services by women, as they try to save on everything except their energies. The school drop out rate among girls, which is high even now, will further go up.

The working class and working women had no illusions on the budget proposals of Yashwant Sinha and they will surely give him a fitting rebuff.